

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7335

BILL NUMBER: SB 377

NOTE PREPARED: Jan 8, 2005

BILL AMENDED:

SUBJECT: Child Support Payments from Gaming Winnings.

FIRST AUTHOR: Sen. Bray

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that delinquent child support amounts may be withheld from an obligor's riverboat gambling winnings or pari-mutuel wagering winnings. The bill provides that a racetrack or riverboat patron who knowingly or intentionally provides false information in connection with an attempt to determine if the patron is a delinquent child support obligor commits a Class D felony.

Effective Date: July 1, 2005.

Explanation of State Expenditures: This bill requires the Indiana Horse Racing Commission to provide all permit holders and satellite facilities with identifying information pertaining to individuals who are in arrears in their child support payments. Furthermore, the bill requires the Indiana Gaming Commission to report identifying information to all licensed owners and operating agents of riverboats. These entities must request the name and social security number of any patron who should win \$2,000 or more before cash is paid to the patron as winnings. If the patron is identified as an obligor, the entity shall hold the patron's winnings and notify the Commission. Winnings will then be withheld to pay the child support debt of the obligor.

Background Information: Currently, the Family and Social Services Administration (FSSA) forwards a list of obligors each month to the Department of State Revenue (DOR). The list includes the name, social security number, and amount owed by each individual.

If an obligor should supply the entity with false information, a Class D felony is committed.

Penalty Provision: A Class D felony is punishable by a prison term ranging from six months to three years

or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. Assuming offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. However, any additional expenditures are likely to be small. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

Explanation of State Revenues: Under the current statutes governing the distribution of child support payments and arrearages due, money owed to the child is paid first before any money is distributed to any units of government. Should an obligor owe the state money for child support paid to the custodial parent while they were receiving financial assistance, and win an amount exceeding that owed to the custodial parent, the state may experience an increase in revenues. The federal government is, however, entitled to a percentage of this revenue. This percentage changes annually. Currently, it is at approximately 62%. Increases in revenue are dependent on the total amount of money paid to the state from obligor winnings.

Penalty Provision: If additional court cases occur and fines are collected, revenue to both the Common School Fund (from criminal fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class D felony is \$10,000. However, any additional revenues would likely be small.

Explanation of Local Expenditures: *Penalty Provision:* If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. However, any additional expenditures would likely be small.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, the amounts would likely be small.

State Agencies Affected: Family and Social Services Administration; Indiana Horse Racing Commission; Indiana Gaming Commission; Department of Correction.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: ShahTowfighi, Department of State Revenue, 232-2107; Bill Steffen, Family and Social Services Administration, 232-4931; Annette Biesecker, Family and Social Services Administration, 232-1149.

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